

FEDERAL CREDIT UNION

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November 19, 1997

Ms. Cynthia L. Johnson, Director  
Cash Management Policy and Planning Division  
Financial Management Service  
US Department of the Treasury  
Room 420  
401 14<sup>th</sup> Street SW  
Washington, DC 20227

RE: NCUA Request for Comments - Department of Treasury Electronic Funds Transfer '99

Dear Ms. Johnson:

On behalf of Visions Federal Credit Union, I would like to take this opportunity to comment on Treasury's proposal regarding the management of federal agency disbursements specifically as it relates to the requirement for making all federal payments electronic by January 1, 1999.

We are very interested in the fair and equitable issues to our organization which this proposed legislation introduces. Although we currently receive electronic payments on numerous federal programs and are not adverse to providing this service to all consumers we also understand that to the "unbanked" community this may not be as easy to accept.

For our credit union to participate, we would have to be granted a community charter and prospective members/government recipients would have to meet all membership requirements under this charter. Currently our industry is being sued by the banking industry for trying to serve these same individuals. Our concern is that these suits would continue and cost credit unions more funds in defending ourselves.


Secondly, if recipient accounts are up for bid then there could be a very unfair advantage to the "mega" banks over much smaller financial institutions creating non-competitive issues.

Another issue is surcharge at the ATM. Many banks have already implemented this additional fee which our credit union strongly opposes. For the "unbanked", it would be one more negative in the way of fees assessed unless there is additional legislation to prohibit surcharge.

Finally, from an administrative point of view, our credit union currently does not have the ability to provide remittance to our members which would provide them necessary information regarding payment identity.

In our opinion, there continues to be many unresolved issues in implementing this program.

Sincerely,

  
Frank E. Berrish  
President/CEO

RC/CMB/dkk

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